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## S.S., Hanoi to reopen Paris talks

WASHINGTON, March 23 (APF). — The United States and Vietnam will soon reopen their talks in Paris aimed at normalising bilateral relations, President Jimmy Carter announced here today. Mr. Carter made the announcement to the press personally after a meeting with the U.S. mission which has just returned from a visit to Hanoi and Laos to gather information on Americans still missing after the war. Mr. Carter said he had received a message from Vietnamese Prime Minister Phan Van Dong proposing immediate resumption of the Paris talks to solve problems now blocking peaceful and friendly relations. Mr. Carter said he would reply immediately that he was ready to agree to resumed Paris talks, he added.

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## Callaghan defeats no-confidence notion after deal with Liberals

LONDON, March 23 (R). — Prime Minister James Callaghan triumphed against a party motion of no-confidence tonight after a political deal which brought the small Liberal Party over to his side. A vote was 322 for Mr. Callaghan and 298 for the motion forward by Conservative leader Margaret Thatcher. A winning margin of 24 was less than Labour could have had before the deal with the Liberals. It saved Mr. Callaghan from being forced to resign in his government's resignation and face a general election next month.

The Liberal leader David Steel agreed to come to the government's rescue after an arrangement providing for a consultative committee on which Liberals would get a hearing on matters of government policy. The arrangement was believed to be unprecedented in British politics. It stopped short of formal coalition yet, as one of Mr. Callaghan's aides put it, it "fed Liberal thinking into the government process."

The agreement displeased the Labour Party's leftwing which saw it as a crippling curb on any further socialist measures by the Labour government. Despite their anger, the leftwingers voted glumly along with the government against the Conservative motion. "I do not think it was necessary," said Labour leftwinger Ian Mikardo. "The Liberals would not have sided against us and brought on a general election which would have done them serious harm."

## Red Sea summit urges non-tribal basis for Djibouti independence

North Yemen, March 23 (R). — Four Red Sea heads of state today called on France to avoid giving independence to the territory of the Afar Issas (Djibouti) on a tribal basis, which they said would be a threat to security. Leaders of Somalia, Sudan, North and South Yemen issued a statement after a summit here yesterday asking France to determine the right of self-determination on a non-tribal basis instead of tribal one.

Sea states. It said a committee had been formed to prepare for this summit. The statement reaffirmed the need for Arab solidarity to oppose Israel's aggressive policies. The committee would include Egypt, Ethiopia, Jordan, Saudi Arabia and the French territory of the Afars and Issas. Meanwhile, President Nimeiri announced today that South Yemen and the Sultanate of Oman have agreed to end their dispute over South Yemeni support for Communist insurgents in southwest Oman.

Establishment of the Labour-Liberal committee did not entail giving any of the Liberal leaders an actual post in government, informed sources said. The plan was for the new Liberal-Labour committee to meet once a week under the chairmanship of Michael Foot, the Labour Party's parliamentary business manager who is himself a noted leftwinger. Mr. Callaghan said its functions would be to "examine policy and other issues before they come to the house," and, he added, "we will examine Liberal Party proposals."

statement, carried by Eg-Middle East News Agency, a dispatch from this Norment town confirmed that the Sudanese leader had paid an official visit to the Omani capital, Muscat, for talks with head of state Sultan Qaboos bin Said before attending the summit.

Observers said the agreement effectively ended the 11-year-old Communist rebellion in Oman's Dhofar Province. The deal was clinched following a lightning trip to Tripoli by French Defence Minister Yvon Bourges last month, they added.

Libya is one of France's best military clients. Libyan leader Col. Muamar Qaddafi has already ordered more than 150 French Mirage-3, Mirage-5 and Mirage F-1 fighter-bombers as well as helicopters and the Crotale ground-to-air weapon system. Well-informed French sources said the latest deal was speeded up by France's prompt release of Palestinian guerrilla leader Abu Daoud, who was arrested in Paris by the counter-espionage service earlier this year.

## Israeli labour courts order striking dockers back on the job

HAIFA, March 23 (R). — Labour courts today ordered striking dockers back to their jobs at Israel's three ports, which had been brought to a standstill by the height of the city's strike. The courts declared the stoppage illegal because all the dockers had valid labour contracts signed less than two months ago, involve stevedores, ship handlers and clerical staff. They are in defiance of trade union orders not to strike. Workers claim that new wage increases given in other sectors of the economy in recent weeks have negated the benefits gained in their new contracts. If these demands are met, a floodgate of renewed wage claims would paralyse the country, experts say.

Meanwhile, employees of the Central Bank of Israel continued a two-day strike begun yesterday and those of the Bank Leumi, Israel's largest bank, said they would strike again tomorrow and Friday, as they did last week. Employees of both banks are demanding salary increases. Local employees of the American Trans-World Airlines returned to normal work today after several days of go-slow tactics. They agreed to discussions of their demands by the airline's regional headquarters in Rome. Their action over a 45 per cent wage increase and a shorter working week delayed the handling of TWA flights.

## Indian parliament elects new prime minister today

NEW DELHI, March 23 (R). — India's new government takes office tomorrow with a question mark still hanging over who will be prime minister. Newly-elected members of the Janata Party, which won 270 seats in the 542-seat Lok Sabha (lower house), were to meet in parliament house tomorrow morning to elect the new prime minister. But Mr. Jagjivan Ram, Chairman of the Congress for Democracy (CFD), which won 28 seats, has delayed until the last minute a decision on whether his party will merge with the Janata Party and take part in the meeting. Political observers believed, however, it centred on who would become the country's new leader: Mr. Ram, 68, or Mr. Morarji Desai, the 61-year-old leader of the Janata Party. Both are proud and powerful political leaders with a lifetime of experience in government. Mr. Desai was Deputy Prime Minister and Finance Minister when he was sacked by Mrs. Indira Gandhi in 1969.

## Podgorny denies he seeks military bases in Africa

PRAGUE, March 23 (R). — Soviet President Nikolai Podgorny, speaking in a Soviet diplomatic office in Southern Africa, today denied that Moscow was seeking military bases or special privileges in African countries or anywhere else. He added: "We seek friends and equal cooperation. We are guided not by the interests of selfish profit but by our unwavering adherence to the cause of peace, to the cause of freedom and progress of peoples."

President Nyerere would be friendly and constructive and mutually beneficial and fruitful. The Soviet people had feelings of great affection and solidarity for Tanzanians he said. Mr. Podgorny declared that a lessening of international tension would create conditions to overcome "the onerous heritage of colonialism" and would eliminate "the vestiges of colonial and racist oppression in the South African continent." Thousands of Tanzanians were at the airport to see the two presidents embrace. They waved Soviet and Tanzanian flags as the two leaders walked across the tarmac. The Kremlin leader took the salute from a Tanzanian honour guard while troops fired a 21-gun salute and watched several groups of tribal dancers before driving in an open car with Dr. Nyerere to state house.

Mr. Ram has been authorised by his party to make the decision on merger personally and he told newsmen he would decide "tonight or at latest by tomorrow morning."

## Following fresh arrests PAKISTANI POLICE CLASH WITH DEMONSTRATORS IN LAHORE

LAHORE, March 23 (R). — Pakistani police fired tear gas in an hour-long clash with several thousand demonstrators here today after the arrest of three prominent opposition leaders. The demonstrators hurled sticks and stones at police, broke shop windows, lit bonfires in Lahore's main street and nearly burned down a new telegraph office under construction. Several people were injured and some arrests made. But no official figures were available. The clash flared after police swooped on three leading figures of the nine-party opposition Pakistan National Alliance (PNA), its President Maulana Mufti Mahmud, Maulana Shah Ahmed Noorani, and Malik Mohammad Qasim, as they left a mosque after offering prayers. The PNA leaders had planned to lead a protest march against Prime Minister Zulfikar Ali Bhutto in defiance of a government ban on public gatherings. The three leaders were released nearly two hours later and went straight to a meeting of the PNA Council to continue deliberations on whether to enter into a dialogue with Mr. Bhutto. The prime minister, in a message on the occasion of Pakistan Day celebrated today, urged the defiant opposition parties to accept his offer of a dialogue to end political turmoil in Pakistan. "It is only through dialogue that rifts can be closed in the nation's political fabric," he said.

But PNA sources said some of the opposition leaders are staunchly against any talks with Mr. Bhutto and want to press on with a campaign of mass agitation for his resignation and fresh general elections. The sources said there was a lobby in the alliance for a dialogue. But they added that several PNA leaders, including retired Air Mar. Asghar Khan, were strongly opposed to any negotiations with Mr. Bhutto. One PNA leader, mian Tufail Mohammad, head of the Jamiat Islami Party, told reporters today that the opposition alliance would only enter into a dialogue if Mr. Bhutto conceded the principle of fresh elections. Apart from Lahore, the rest of Pakistan was relatively quiet today. For the first time in more than a week, no incidents were reported in Karachi, where half the city is under curfew following demonstrations last Saturday in which at least 30 people died. Sources close to the government said there was little likelihood of the curfew being completely lifted for another few days.

## Iraqi Baath Party expels 2 high-level members

AMMAN, March 23 (R). — Two members of the Baath Party Regional Leadership ruling Iraq were today expelled from the party and dismissed from all their government posts, Baghdad Radio reported. The radio named them as Dr. Izzat Mustafa and Mr. Feleyst Hassan Jasseem. Dr. Mustafa was Minister of Municipal and Rural Affairs and Mr. Jasseem Minister of State. The decision to expel the two men was taken at an extraordinary meeting today of the party's regional leadership. According to the radio they were expelled because of their "failure to carry out their duties and shoulder their responsibilities and because they did not believe in the principles of the revolution and its national and socialist values."

Mr. Burhanuddin Abdul Rahman and Mr. Mohib Abdul Hussein were elected as replacements. A presidential decree appointed Mr. Taha Yassin Ramadan, the Minister of Public Works and Housing, as Acting Minister of Municipal and Rural Affairs. A decision by ruling Revolutionary Command Council (RCC) ordered the merger of the ministries of Foreign and Internal Trade into one to be known as the Ministry of Commerce and headed by Mr. Hassan Ali. Mr. Ali was Internal Trade Minister and Acting Foreign Trade Minister.

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Towns and villages around the regional capital, Bandar Abbas on the Gulf, were the worst hit. Three major tremors shook the area yesterday in Iran's worst earthquake for a decade, and aftershocks continued today although these caused no new casualties according to the Iranian Radio and Television network. The first two shocks, an hour apart and lasting between 10 and 20 seconds, jolted Bandar Abbas in the early hours of Tuesday, the stronger of them reaching seven on the open-ended Richter scale. The port's 80,000 population was swollen by holidaymakers who were spending the Iranian new year holiday on the coast. As the first tremor hit, residents rushed into the streets, which saved many of them when the second shock came, according to radio and television reports. The third tremor, of intensity six on the Richter scale, struck in the early evening. The epicentre, according to Tehran University, was about 20 km off the Iranian coast in the Strait of Hormuz at the mouth of the Gulf. The tremors were felt along the coast and on the offshore islands, but the worst devastation occurred within a 30-km radius of Bandar Abbas. The last earthquake in the Gulf was in 1948, but no casualty total was ever published. The radio said prompt relief and rescue operations had minimised casualties. According to the broadcast, more than 300 tents have been pitched in the stricken villages. Medical teams were vaccinating the inhabitants to stop disease spreading.

practically



His Majesty King Hussein exchanges words with King Carlos and Queen Sophia at the Hashemiyeh Palace Wednesday. (JNA photo).

## Libya buys 10 patrol boats from France

PARIS, March 23 (R). — Libya is buying 10 missile-firing fast patrol boats from France at an estimated cost of three billion francs (\$600 million), French officials said today. The deal was clinched following a lightning trip to Tripoli by French Defence Minister Yvon Bourges last month, they added. Libya is one of France's best military clients. Libyan leader Col. Muamar Qaddafi has already ordered more than 150 French Mirage-3, Mirage-5 and Mirage F-1 fighter-bombers as well as helicopters and the Crotale ground-to-air weapon system. Well-informed French sources said the latest deal was speeded up by France's prompt release of Palestinian guerrilla leader Abu Daoud, who was arrested in Paris by the counter-espionage service earlier this year.

already been paid on the contract for 10 fast patrol vessels of France's latest Patrouilleur Rapide PR-74 class, built by the Constructions Mecaniques de Normandie in Cherbourg, officials said. The 250-ton vessels will be equipped with ship-to-ship otomat missiles manufactured by the French Mazra Company in partnership with Italy's Otomelara firm. The Libyan Navy has ordered a total of 80 otomat missiles. It is the fifth to buy them after the Italian, Egyptian, Ecuador and Brazilian Navies.

## King Juan Carlos: Mideast peace must be based on justice

AMMAN. — His Majesty King Juan Carlos of Spain said Wednesday night that if peace in the Middle East were to be lasting, it must be based on justice and the legitimate rights of the peoples of the region. The king, who arrived here this evening on a three-day state visit to Jordan, was proposing a toast to His Majesty King Hussein at a banquet given in his honour. He said: "1977 has begun with a positive sense of hope regarding the possibility of peace in the Middle East. If such a peace is to be lasting, it must be based on justice and the legitimate rights of the peoples of the region."

"I earnestly hope that this peace will soon be achieved," he added. King Hussein toasted his guest by saying: "We deeply appreciate the stand Spain has taken over these many years in support of justice and on the side of the true advocates of peace in our region."

"Your visit brings with it a breath of the new Spain," he said. He added: "Your Majesty is at the head of a historic movement... the rest of the world joins us in admiration for you, your people and your government as you go about the task of setting up responsible democratic institutions and as you hand on to a new generation the responsibility of leadership without breaking with your noble and proud past."

"On the soil of Spain, the clash between East and West was transformed into a dialogue, into interaction, respect and mutual benefit," King Hussein went on. "It comes as no surprise that modern-day Spain should be so close to the sentiments of the Arabs towards the question of Palestinian rights and the Arab struggle against aggression and occupation," King Hussein said. King Hussein had earlier greeted King Juan Carlos and Her Majesty Queen Sofia on their arrival here from Cairo. Also at the airport were His Highness, Crown Prince Hassan, Prime Minister Mudarr Badran and senior state officials and army officers.

A 21-gun salvo was fired as the royal plane came to a halt. King Hussein embraced the Spanish monarch before the national anthems of both countries were played and the two kings inspected a guard of honour. Crowds of people lined the 8 km route from the airport to the city centre, with army bands clustering at key points en route to play Spanish and Jordanian folk music. Official talks between the Spanish delegation, which includes Foreign Minister Marcelino Oreja Aguirre, and Jordanian officials will start Thursday.

King Juan Carlos, accompanied by King Hussein will visit an airbase while Queen Sofia will inspect the King Hussein Medical Centre in Amman. Official sources said the talks between the two monarchs would concentrate on bilateral relations and the Middle East situation. Political sources expect the talks to result in increased cooperation between the two countries in economic, cultural and technical fields. Strong ties already exist between Amman and Madrid. A treaty of friendship was signed in 1951. There are also cultural and civil aviation agreements.

Spanish ambassadors conference will be held here. In a statement to the Jordan Times, Senor Aguirre said a two-day conference of Spanish ambassadors in Arab countries would open in Amman Thursday to coincide with the king's visit here. Senor Aguirre said he was pleased at the opportunity to meet Arab leaders and to be more closely acquainted with the problems of the area. This is of particular interest to the Spanish government, he added, because of the strong historic ties between Spain and the Arab World.

Joint Spanish-Egyptian communique calls for total Israeli withdrawal, supports Palestinian rights. In a joint communique issued simultaneously in Cairo and Madrid Wednesday, Egypt and Spain stressed the need to realise a permanent and just Middle East peace based on Israel's withdrawal from all Arab territories occupied in the 1967 war. The communique, issued after a five-day state visit to Egypt by King Juan Carlos, also called for the realisation of the legitimate rights of the Palestinian people to self-determination and establishing their independent state. The communique said the two heads of state also urged the early resumption of the Geneva Middle East conference at which all parties concerned should participate, including the Palestine Liberation Organisation.

It expressed appreciation of Spain's support of the Arab cause and also Egypt's efforts to reach a permanent Middle East settlement. The two sides denounced racial discrimination in South Africa and Israel, the communique said. They also agreed on boosting bilateral relations in various fields, the communique said, adding that President Anwar Sadat had accepted King Juan Carlos' invitation to visit Spain at a date to be fixed later. The communique asserted the two countries' conviction that the security of the Arab World was linked with the security of the Mediterranean region. It added Egypt and Spain underlined the need to create a just world economic system.

## Fresh quakes hit Iran, casualties exceed 150

TEHRAN, March 23 (Agencies). The number of people known to have died in yesterday's earthquakes in southeastern Iran rose to over 150 today and was still rising as rescue workers combed through the rubble. Tremors still shook the area, about 1,300 km southeast of here, early today. Towns and villages around the regional capital, Bandar Abbas on the Gulf, were the worst hit. Three major tremors shook the area yesterday in Iran's worst earthquake for a decade, and aftershocks continued today although these caused no new casualties according to the Iranian Radio and Television network. The first two shocks, an hour apart and lasting between 10 and 20 seconds, jolted Bandar Abbas in the early hours of Tuesday, the stronger of them reaching seven on the open-ended Richter scale. The port's 80,000 population was swollen by holidaymakers who were spending the Iranian new year holiday on the coast. As the first tremor hit, residents rushed into the streets, which saved many of them when the second shock came, according to radio and television reports. The third tremor, of intensity six on the Richter scale, struck in the early evening. The epicentre, according to Tehran University, was about 20 km off the Iranian coast in the Strait of Hormuz at the mouth of the Gulf. The tremors were felt along the coast and on the offshore islands, but the worst devastation occurred within a 30-km radius of Bandar Abbas. The last earthquake in the Gulf was in 1948, but no casualty total was ever published. The radio said prompt relief and rescue operations had minimised casualties. According to the broadcast, more than 300 tents have been pitched in the stricken villages. Medical teams were vaccinating the inhabitants to stop disease spreading.

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# Doing business in the Arab World has its ups and downs

Foreigners endeavoring to initiate business in the Arab World are sure to come across some unique problems but rewards can be great. A look at various aspects of these can be a real encouragement and good preparation for anyone planning to enter this new field.

Dr. Kamel S. Abu Jaber, Dean, and Dr. Fawzi A. Gharabeh of the University of Jordan's Faculty of Economics and Commerce presented their view study on business problems and prospects in the Arab World at a Business and Industrial Management Studies Seminar last fall in London.

This article is the first of two parts. The conclusion will appear in tomorrow's paper.

The Arab World in general, and its oil producing states in particular, have witnessed tremendous economic changes in the past few years. Since the 1973 quadrupling of oil prices, fabulous amounts of cash have flowed into the region and for the first time its countries have accumulated billions of dollars in surplus. These surplus monies along with the resources of the non oil-producing countries have been invested in various economic projects throughout the area. For the oil producing countries they have devised comprehensive programmes for the hastening of the process of economic development by committing large amounts of oil revenues in capital projects in the infrastructural, agricultural, industrial, and public administration sectors. Still these projects fell far short of absorbing oil revenues, and the oil-producing Arab states have begun utilizing investment opportunities in the industrialized world. As to the non oil producing countries they also have set up economic development plans mobilizing their own resources and whatever financial assistance they could get from the oil-producing and friendly countries.

The Arab World has become a huge workshop, and a Mecca for businessmen looking for lucrative investment opportunities. It is interesting to note that Arab capitals are full of foreign businessmen coming from almost all corners of the old and new worlds. And it is customary these days to have hotels in major cities of the area fully occupied all year round, and to see people in the streets and restaurants speaking different languages but with a common denominator, namely, doing business.

The Arab World is composed of more than twenty states which have common history, language, culture, and heritage. It encompasses a vast area of about 13 million square kms, more than the area of the United States of America, twice the area of Europe, and including the area of the Soviet Union, and 53 times the area of Great Britain. Though the dominant characteristic of this area is the desert land, there are large chunks of mountainous and fertile agricultural areas. It is a fact, however, that the Arab World is the center of the world communications system, lying between Europe and the Orient. Trade has to pass along its roads in Africa and Asia through its ports on the Mediterranean, the Red Sea, and the Gulf.

The Arab States had a total population of about 143 million in 1975, more than the population of any single European country, and 2.4 times the population of Great Britain. It is interesting to note that the

oil-producing countries are inhabited by 40 million people, or 28% of the total population of the Arab World and have an area of more than 7 million square kms, which indicates an average population density as low as 6 persons per square km. These figures become more illuminating if they are taken for some of these countries separately. The population density in Saudi Arabia, for example, does not exceed one person per square km, while it is 1.3 and 7 persons in Libya and Algeria, respectively.

The population of the Arab World is distinguished by three main characteristics.

First, 44% of the total population is composed of people under 15 years of age, compared with a percentage of 28% in Europe. This indicates that the labour force in the Arab World will probably increase substantially in the coming years.

Second, 65% of population resides in rural areas, and this percentage reaches 95% in Mauritania, 85% in Sudan, 75% in Libya, and 60% each of Egypt, Iraq, and Algeria. This however, is a symptom of lack of industrialization.

Third, the rate of population growth exceeds 3%, which means that the Arab World will be inhabited by more than 200 million people before the end of this century. The Arab World had an aggregate GNP of almost \$80 billion in 1973 much of which comes from oil production. This amount represents 47% of the GNP of Great Britain and 34% of France's. Per-capita GNP in the Arab World amounts to \$593, compared with \$3054 and \$4550 in Britain and France, respectively. This reflects the state of economic development, which leaves a lot to be desired, and indicates possible paths for achieving economic development.

The Arab World is an active partner in international trade. In 1973, it imported \$20 billion worth of capital and consumer goods, and exported commodities for more than \$50 billion, most of it represents oil exports. The oil producing Arab states have enjoyed a surplus in their balance of payment of about \$50 billion, in 1975. It is estimated that these countries had an accumulated surplus of \$85 billion, at the end of 1975, and about \$44 billion will be available for investment abroad in 1978. However, accumulated surplus in 1980 is estimated to range between \$460 billion by the World Bank and \$40 billion by others. This clearly points to the fabulous investment opportunities, inside and outside the region, open to businessmen from all over the world.

All countries of the Arab World have small infrastructural and industrial bases and they are trying to accelerate the process of development by investing huge amounts of capital in infrastructural projects as well as industrial and agricultural undertakings. Most of these countries have set up development plans with a total estimated investment of \$285 billion, which means that they are investing as much as \$57 billion annually. The commitment of these billions of dollars will involve the importation of capital goods as well as technical and managerial know-how from wherever it can be made available at reasonable price.

Many of the oil producing countries have accumulated large surpluses like Saudi

Arabia, Kuwait and the United Arab Emirates; while others have not accumulated such surpluses. All of these, however, are by and large dependent upon this source of income. Aware of the possibilities of the depletion of this source all these countries are trying to alter the structure of their domestic production relying less on oil revenues and expanding their industrial and agricultural sectors. To achieve the above objectives they must follow either of the following two development strategies or a combination of the two alternatives together. First to invest in industries whose output is needed locally and thus curtailing imports, i.e., import substitution. Second, to concentrate on the development of certain industries that may give the investing country of countries a comparative advantage. This second strategy calls for heavy investment in export oriented industries utilizing modern capital investment and management techniques which, in turn may enable them to compete favourably on the world market. For example, oil-producing countries can concentrate on petrochemical industries, while the others can industrialise their natural resources, e.g., phosphate in Jordan and Morocco, cotton yarn and textile in Egypt and Syria, agricultural industries in Sudan, Syria and Egypt, etc.

The Third alternative strategy, which seems to be the wisest one to follow, involves a combination of both above strategies: Import substitution projects as well as an industrialisation policy based upon the available resources. Governments in the region have undertaken the burden of comprehensive development projects, especially in the infrastructural, agricultural and industrial sectors. Recently all governments of the area have tended to encourage the private sector to participate in various investment projects. Several inducements have been instituted by most governments such as public-private partnerships in certain large enterprises, customs exemption on imported machinery and primary raw materials for re-export purposes, tax exemptions and holidays on corporate profit. In addition, many Arab governments recently have followed a vigorous campaign of attracting foreign investment through what has been called in some countries the "open door policy" which offers investors many privileges and guarantees. Jordan, for example, offers encouragements such as the exemption from taxes of profits earned outside the country exemption from registration and licensing fees, exemption on imported furniture and fixtures from customs duties, exemption of wages paid for foreign employees from income taxes, etc. In certain instances, guarantees against public takeover of enterprises have been instituted to encourage foreign investment.

Examination of development plans in the Arab states reveals several areas where heavy capital investments have been programmed. These include: 1. Construction, which gets the lion's share and is predominantly within the public sector. In Saudi Arabia, for example, 56%, or \$80 billion, of the overall investment of the five-year plan (1976-80) is allocated to construction. It includes: a. Buildings such as housing, office buildings, schools, universities, hospitals, military bases, and other government buildings. b. Civil engineering work, such as that for municipalities, as well as the building of roads, airports, harbours, electricity generation plants, desalination plants, wire and wireless communication systems, tele. etc. 2. Industrial development, i.e. various industrial projects such as liquid gas, aluminum, fertilizer, glass, petrochemicals etc. 3. Agriculture, i.e., the construction of dams, irrigation projects, etc. The current and forthcoming development plans have allocated more than \$27 billion to agriculture. 4. Manpower development such as Vocational, agricultural, and academic training. It is noticeable that current development plans in most Arab states, especially in oil-producing countries, have emphasized the need to build the infrastructure at the present stage of development. This is warranted by the notion that

no country can develop its economy effectively without having the basic services available in order to avoid bottlenecks which could impede the process of development.

The old animosities and acrimony that were once a characteristic of relations between the Arab World and the West have now been relegated to history books. Slowly but surely both sides are now rediscovering each other and are searching for common grounds upon which they can build a new foundation. And while Western businessmen are prospecting for business opportunities in the Arab World, Arab surplus monies is also looking for havens as well as business opportunities in the West. The traffic of resources flowing both ways is currently just beginning and it is our guess that such a development will continue to grow and should be welcomed and encouraged. For only in such a relationship, built on mutual benefit and trust can long-run opportunities be enhanced. And while the prime motive behind such a flow of resources is, at the moment, profit, men of vision must look to the wider horizons to be brought about through cooperation. A by-word characterising the twentieth century is that the world is shrinking. Indeed it is. Some dreamers still think in terms of isolationist self-sufficient communities: A beautiful illusion that has never been, nor will become a reality. Of necessity we are a shrinking world mutually interdependent with a complex of trade routes, patterns and the distribution of diminishing resources. Decision makers of vision as well as businessmen must attempt to rationalise and control the existing variables.

One of the most important characteristics of a successful businessman is his ability to adapt to new situations and to turn a seemingly difficult situation to his advantage. Businessmen have always been at the head of great explorations, often intuitively influencing their nations to open opportunities. Today's explorers are more civilized, humane and ready for cooperation. Furthermore they have the benefit of modern technology, knowledge, communication and the mass media to inform them of possibilities. Especially in the West, where business is taught on the university level almost as a science, the modern businessman does not lack the knowledge of the basic data concerning the area in which he wishes to venture. But knowledge of the bare facts is not enough: Feeling for, and empathy towards those with whom one wishes to deal is of tremendous value. This is true when one is contemplating a new venture within his own culture and among his own people. It is doubly true when the venture is in a different culture of distinct quality.

While business has all the elements of a modern discipline that can be taught: The formalist, the behavioralist, the empirical-statistical, etc. It is also an art that must take into account feelings and intuition. And while sight is important vision is more so since it encompasses not only the facts but understands them as well. The vision to operate in alien situations and to control them as far as in humanly possible. Business is also an art in the sense of truly communicating with people whether of the same or of a different culture and thus it depends on a great deal of judgement. One can teach the techniques, the concepts, the data and the methodology of doing business, yet all this does not, by itself, add up to the making of an excellent businessman or a thriving business. Successful business also is the art of compromise, the striking of a bargain and the coming to terms with others at a fair price. It is also the art of taking the opportunity, seizing the chance when it comes along. Wise judgement often wins over mechanical, mathematical and computerised planning.

In today's Arab World such wise judgement, based on knowledge gained is indeed very great. It is as if the coffers and the treasures of King Solomon were opened up on the region and the opportunities are limitless. Not only because of oil, or in oil related enterprises alone. As can easily be seen there are opportunities in almost every field of enterprise; industry, agriculture, infrastructure construction, communications, transportation, exploitation of raw materials, education plus an incalculable number of other fields.

Apart from profit as the major motivating force, Western companies may be induced into the area by their concern for the betterment of the people of the region. The transfer of technology as well as the interaction of cultures may inject into the process of development an acceleration factor which may help break the barriers to development and get the economy rolling along this path. The end result will be an increase in per capita income tending to improve the well being of the population which in turn improves their long

term purchasing capacity and thus expanding the market.

The task of economic growth is complex and risky indeed, and many a Western entrepreneur may rise to this challenge to enjoy the satisfaction derived from his participation in an experiment of socio-economic development. It is true that the major burden of development rests upon the shoulders of the people of the region, but the Western businessman can contribute much toward the achievement of this goal. One way of doing this would be by entering into a partnership with the public as well as the private sectors of the Arab World, providing them with modern technology, managerial skills and innovation. For the Arab, long known to be a good imitator, can, perhaps, through his interaction with Westerners, develop into an innovator; this to be done through exposure, emulation, education, training and "on the job training."

There are several other positive factors which encourage Western companies to venture into the Arab World market. First, the Arab market is comparatively large and has huge amounts of liquid money to be

invested. This may brighten investment opportunities and make it feasible to commit heavy capital in plants utilizing mass production techniques. Second, Arab governments welcome Western and other firms to conduct business in the region. This attitude has been translated into various investment encouragement laws under which foreign investors enjoy many benefits. Most Arab countries have instituted various investment encouragement laws designed to create a favorable climate encouraging foreign investors and guaranteeing them immunity from being affected by the political environment. It is interesting to note, thirdly, that Arab governments and businessmen would rather do business with Western concerns and companies. The Arab close association with the West has its roots in ancient as well as modern history. This, in addition to the fact that language is less of a problem when dealing with Western firms. Most Arab professionals, intelligentsia and leaders have been educated in the Western tradition and their natural bias leans towards commodities, products and tech-

niques of Western origin. Goods and products made in the West have the reputation of reliability and high quality. Arab individualism and attachment to the free enterprise system, part of their cultural heritage, buttress such a bias towards Western commodities. In addition to the factors listed above, it seems obviously prudent for Western business to enter the area while the process of developments is in its initial stage and thus getting in on the ground floor. Supporting this idea, the Financial Times, Wednesday, July 28, 1976, noted that "contracts won in the past two years have gone mainly to companies already established in the region and familiar with it."

Emphasis in the Arab World has been initially on the exploitation and development of natural resources, and it has just entered the second stage of economic development which involves the industrialisation of these resources and the construction of a comprehensive network of infrastructural projects. The future will undoubtedly witness the introduction of industry into the area in its broader sense encompassing the pro-

duction of both consumer a capital goods, based on n materials available in the gior as well as primary matials imported for industrialia tion and re-export purposes.

The lure and attraction doing-business with the Ar World certainly out weighs challenges that a Western bu nessman initially may face. be honest and candid, the problems, which we shall p sently out-line, may seem a ious. However, most of the are of a passing nature, a with the amount of buildi infrastructural construction, u cation and training curren carried out, these problems w soon phase out. They may included under the followi three general headings:

I. Economic, including pr oblems of adequate manpo supply; adequate housing a services; problems of logist cost-of-living; availability, raw materials; problems scale; and competition; II. Institutional and leg problems, including bureauc tic red tape; and contract ten III. Cultural problems; inc ding language, communicati customs and ways of doi things.

## Malta's Dom Mintoff finds new challenge as Dr. Fenech-Adami takes over the Nationalist Party

A 43-year-old lawyer is to succeed Dr. George Borg Olivier as leader of Malta's Nationalist Party. Borg Olivier has led the party for 26 years but he took much of the blame for his party's defeat in the last two general elections. The new leader, Dr. Edward Fenech-Adami is a quiet debater who marshals his facts and uses them in telling fashion to get his point over.



Dr. EDWARD FENECH-ADAMI

VALETTA, Malta, (Gemin). —A quiet, studious lawyer who believes in doing his homework and revealing on concise, telling facts, rather than rhetoric to get his point over in politics, is to succeed Dr. George Borg Olivier, 65, as leader of Malta's Nationalist Party.

Forty-three-year-old Dr. Edward Fenech-Adami takes over from the man who has been at the party's helm for an eventful 26 years and led it into defeats by the Labour Party in the last two elections.

It became evident, many months before last September's general election, that Dr. Borg Olivier should go or rather give way to a younger, more energetic man. The Nationalists were hesitant, perhaps afraid to change their horses in mid-stream, so he stayed.

But when the Nationalists lost the election by three seats out of the 65 contested, there was no longer any doubt that Borg Olivier's days were numbered.

Borg Olivier goes with honour as the man who brought independence to Malta 12 years ago and transformed the economy from one based on British defence expenditure to one whose pillars are industry, agriculture and tourism.

It is this economy which Prime Minister Dom Mintoff is following with such increased emphasis that by 1979, when the present agreement on the lease of bases to NATO expires, he is confident Malta would become economically viable and would no longer have the need to lease its bases to foreigners.

What of the new man at the top of the party? Dr. Fenech-Adami, a father of five young children from outlying Birkirkara, is a fighter, but of a different brand from the fiery Dom Mintoff whose personality is bound to overawe anyone who meets him.

A virtual unknown outside the party a few years ago, Fenech-Adami made his name as a parliamentary debater. He invariably attracts a large audience both at public meetings and whenever he takes part in political debates on Malta television.

The Maltese have seen him cross swords with some of Labour's best speakers and are now looking forward to see him come face to face with Mintoff in a television debate.

and DeMarco, since under the election rule, the person obtaining the least number of votes is automatically eliminated. The straight fight yielded no result and fresh elections were called. For this time Fenech-Adami's name was the only one submitted. Sportingly, the nomination was seconded by both DeMarco and Tabone. So Fenech-Adami, ahead in the number of votes in the previous two elections, won the title.

The Nationalist are jubilant that a man of Fenech-Adami's calibre has reached the top. They have been promised a more vigorous opposition in the house and outwards in the world.

If this materialises it would certainly please the 100,000 who voted Nationalist in the September elections -- 49 per cent of the total poll. Many

of his employer, which were to buy cattle from local farmers, rather than through dealers. An industrial tribunal ruled that he had been unfairly dismissed. On appeal, the employer introduced evidence that the manager had been secretly taking commissions from cattle dealers -- evidence which he had been refused permission to present to the tribunal. But the boss still lost the day.

Where reinstatement is ordered, a British boss faces stiff penalties if he doesn't comply wholly or in part. If he fails to comply at all, he may have to pay compensation up to a maximum of £5,200, or two years' pay, whichever is the lesser amount. If he complies only partially, he may be ordered to pay two weeks' salary plus a further amount up to £2,400; this does not include any redundancy pay which may be due, although the law says that the £2,400 "could" be reduced by any redundancy payment ordered by the industrial tribunal.

Currently the situation is muddled by the fact that the new law is in process of interpretation as appeals reach the Appeal Tribunal and the Court of Appeals. The industrial tribunals are staffed in the main by laymen not trained to interpret the law, which has led to a lot of controversial decisions.

In March last year the new Appeal Tribunal was set up to provide a second and more judicial level of judgement. The tribunal is headed by either a High Court or appellate court judge, sitting with others plus laymen experienced in the field of labour legislation. It has the same information as the industrial tribunals, however.

Here again the employer finds himself at a financial disadvantage. He is forced to hire costly legal help, while the worker can receive legal aid. While in theory the employer has equal rights in the courts with the employee, in practice it often doesn't work that way.

Last year General Aviation Services sued the Transport and General Workers' Union for damages after they had

people have felt for some time that the opposition could have acted more strongly on various matters and Borg Olivier was invariably blamed for his shortcomings.

Fenech-Adami has a tremendous task ahead of him. Malta is fast approaching a period in its history when, for the first time in 177 years, it would have to work for its own living -- through its exports, industry, and tourism.

Mintoff will have to find not only the £14 million a year

Britain and NATO pay for the B tish leave, but also another annual sum of about the same amount which is derived from the spending power of the British servicemen actually stationed on the island.

The prime minister is determined that never again will leave any part of Malta to a foreigner for military purposes. The Nationalists, however, feel that Mintoff will have to rely more heavily on his Arab friends, particularly Colonel Muammar Qadhafi of Libya whose aid is conditional. Malta remaining non-align to any of the super powers, though Libya itself is becoming more dependant on Russian technological and military assistance.

The Nationalists have always regarded Malta as being part of the Western world. They would welcome any proposal from the West which guaranteed the country's sovereignty and its international integrity. It is between now and 1979 rather than now and five years hence that Fenech-Adami must show his worth. Beyond that period the Nationalists fear, it will be too late.

## British labour protection laws take the fun out of "firing"

British laws offer considerable protection for workers against unfair dismissal. But they also provide a shelter for the lazy or dishonest, so employers find it increasingly difficult, or even impossible, to fire them.

been forced to shut down the ground handling services London Airport because it was "blacked" by shop stewards.

But, it was ruled, the fit could not collect from the TGWU because the shop stewards were not officers of the union, and were therefore not responsible for their actions.

Once an employer has negotiated the minefield of British Employment Protection Act and other laws he runs into the barbed wire of the 1976 Sex Discrimination legislation.

The law says that male comparable work by women must be paid for at the same rate as that of men doing given job. Here again the legal position is fluid as judgements are handed down month by month.

Female London factory workers struck over the issue recently, and won. The management's plea had been that their work was not male comparable with that of the men they worked with on the same shop floor, because the men were liable to night shift work and the women were not by common practice in the factory.

The court ruled the women's work was "mainly comparable" even though they did not work unusual hours.

Yet in another case, involving a large food processing company where men and women worked side by side in a similar situation, the women lost the case for equal pay. The difference, said the ruling, was that in the later case other legislation forbade women to work Saturdays and other unusual hours. Therefore their work was not comparable.

Pregnancy among women workers is proving another headache for the bosses. The new law requires the employer to find suitable alternative work for a pregnant woman, she cannot perform her usual job, otherwise he comes against the "unfair dismissal" problem once more. Moreover, if challenged he has to prove the legal onus being on the employer -- that no suitable alternative job exists through out his organisation.

A London barrister sums up the situation this way: "One thing is very clear about current labour legislation -- it's going to give our lawyers a field day."

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مركز اصدقاء القاصد



## Dutch election expected soon following government's collapse

THE HAGUE, March 23 (Agencies). — The Netherlands was plunged today into a premature election campaign after the collapse of Prime Minister Joop den Uyl's five-party centre-left government.

The cabinet resigned last night -- nine weeks before elections were due -- because four Catholic and two Protestant ministers refused to accept the final cabinet version of a controversial land reform bill, Mr. den Uyl said.

Mr. den Uyl had hoped to push through parliament before the elections.

He said he would consult the various parliamentary factions on which bills could still be passed before the dissolution.

Political commentators traced the government's fall to worsening tensions between Mr. den Uyl's party and the Catholic and Protestant "confessional" parties in the run-up to the elections.

Mr. Den Uyl's government was set up on May 11, 1973,

after a 164-day political crisis, the longest in the country's history.

The government's problems have included the Arab oil embargo which hit Holland harder than other West European countries because of its pro-Israeli stance, unemployment -- although Holland is the only country in Western Europe where the job market is on the upswing -- and the allegations against Prince Bernhard, the queen's consort, in the Lockheed bribery scandal.

## Fukuda ends U.S. visit

WASHINGTON, March 23 (R). — Japanese Prime Minister Takeo Fukuda today ended his visit to the United States with a strong warning against a world slide into protectionist trade policies.

Mr. Fukuda's warning was issued amid strong pressures in Congress and some U.S. trade circles for higher tariffs on Japanese imports, particularly colour-television sets.

The prime minister's statement, made at a National Press Club luncheon, appeared to reflect the strong emphasis placed in his talks with President Carter on global economics and U.S.-Japanese trade relations, in particular.

U.S. concern over increasing exports of Japanese colour-television sets to the United States has strained trade relations between the two countries in recent months.

## Britain wants a stop to "rent-a-bride racket"

LONDON, March 23 (R). — Britain's Labour government yesterday set up a watch-dog system to stop foreigners from marrying "rent-a-bride" British girls in order to obtain permanent residence here.

Home Secretary Merlyn Rees said that any marriage between a foreign male and a British woman could now be subjected to "revision" after 12 months to determine if it had been "a marriage of convenience." Residency permits would be held up until the 12 months expired.

Until now marriage to a

British girl gave automatic residency rights to the groom. But Mr. Rees said the new rules were designed "to deal with abuse on what has become a significant scale."

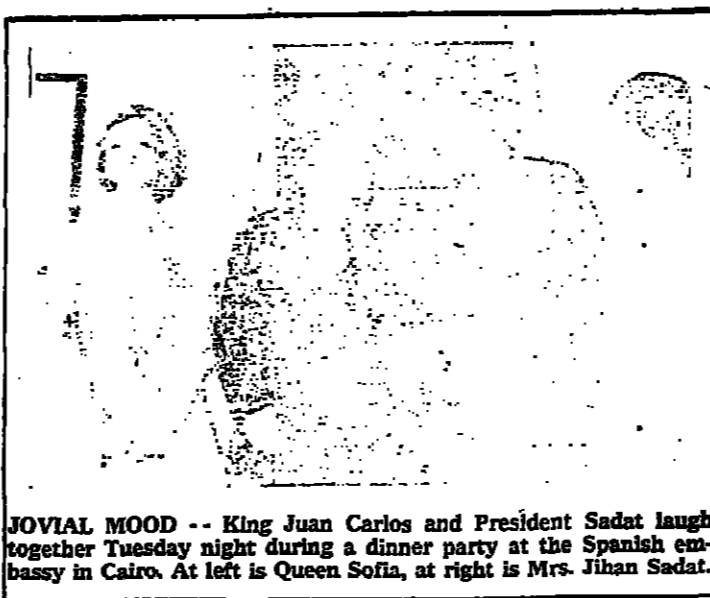
The government's one-year trial marriages could spell the end of the lucrative "rent-a-bride racket" by which British women are paid wedding fees to marry foreign bridegrooms, mainly from Asia and the Middle East. Often such a marriage is never consummated and the couple see each other for the first and last time at the Registry ceremony.

Mr. Fukuda expressed complete satisfaction with his two days of talks with Mr. Carter in which he won firm pledges of continued prior consultation in U.S. foreign policy initiatives.

Mr. Carter also assured the prime minister that the United States would honour its security commitments in the western Pacific and maintain a military presence in the area.

In his press club address, Mr. Fukuda said he felt "deep anxiety about the social and political consequences for the world if we slide once again into protectionism" or break up into rival trade blocs.

On the whole the Washington talks appeared to have been successful according to a joint communique issued at the end of the visit.



JOYFUL MOOD -- King Juan Carlos and President Sadat laugh together Tuesday night during a dinner party at the Spanish embassy in Cairo. At left is Queen Sofia, at right is Mrs. Jihan Sadat.

## Spain announces new law barring senior officials from contesting election

MADRID, March 23 (R). — Spain set the stage today for its first democratic elections since 1936 by publishing details of a new electoral law.

The law bars cabinet ministers and senior officials -- but not Prime Minister Adolfo Suarez -- from standing for parliament.

It bolstered speculation that Senor Suarez might contest the elections in June to prevent the rightwing Popular Alliance from winning and blocking his plans to dismantle the authoritarian system of the late Gen. Franco.

The law stipulates that political parties have equal access to the state-run radio and television network during the election campaign, which will last three weeks, and the government will contribute to campaign costs after the elections based on each party's showing at the polls.

## Ethiopia cracks down on "counter-revolutionaries"

ADDIS ABABA, March 23 (R). — Ethiopia's military rulers today ordered a house-to-house search throughout Addis Ababa for "counter-revolutionaries" accused of staging assassina-

tions in a bid to overthrow the government.

An official statement said the search would go on indefinitely. In the meantime, all bars selling alcoholic drinks were ordered to shut down between 7 a.m. and 7 p.m.

The government statement, broadcast by Addis Ababa radio, said "the enemies of the revolution have come out in their true colours and have proved their identity as puppets of reactionary Arab governments."

Only yesterday anti-government groups were reported to have thrown grenades into the capital's Central Bus Depot, destroying four buses and damaging two others.

Ethiopia Radio, in a broadcast heard in London last night, charged that the U.S. Central Intelligence Agency (CIA) was behind the "coordinated terror campaign."

The military government said the aim of the search was to disarm counter-revolutionaries using Addis Ababa as a hide-out and "waging a series of assassinations against pro-government individuals."

It charged that these political opponents were destroying Ethiopia's means of production and "weaving intrigues to sell the country for cash."

The government said that the house-to-house search was being conducted by troops, workers, peasants, youths and "defence squads of the Urban Dwellers' Associations."

They were ordered to behave with order and discipline but to administer "revolutionary justice as justified."

## WORLD NEWS BRIEFS

WASHINGTON, March 23 (AFP). — President Jimmy Carter told Congressional leaders at the White House yesterday he had no intention of halting his human rights campaign despite strong criticism from Soviet party chief Leonid Brezhnev. "Some people are concerned every time Brezhnev sneezes," he commented, according to Sen. Alan Cranston (Dem. California).

PARIS, March 23 (AFP). — French President Valéry Giscard d'Estaing will meet separately with Egyptian President Anwar Sadat and U.S. Secretary of State Cyrus Vance here in Paris on April 2, it was announced yesterday.

PARIS, March 23 (AFP). — Guarantees could be introduced to reassure the Israeli people and consolidate a settlement once peace had been re-established in the Middle East, French Foreign Minister Louis de Guiringaud said yesterday. The guarantees could take the form of United Nations contingents or observers and electronic surveillance networks in demilitarised zones, he said in an interview with the Jewish telegraphic Agency.

WASHINGTON, March 23 (AFP). — Former Secretary of State Henry Kissinger has agreed to become vice President of the Chase Manhattan Bank's Consultative Committee for International Affairs, it was learned officially yesterday. He will take up his duties in May.

## In Pakistan Day message Bhutto urges opposition to dialogue

ISLAMABAD, March 23 (R). — Prime Minister Zulfikar Ali Bhutto today urged defiant opposition parties to accept his offer of a dialogue to end political turmoil in Pakistan.

"It is only through dialogue that rifts can be closed in the nation's political fabric," Mr. Bhutto said in a message for Pakistan Day, being celebrated today.

Leaders of the nine-party opposition Pakistan National Alliance (PNA) continued deliberations in Lahore on his invitation for talks.

The PNA last week called for mass agitation against Mr. Bhutto, claiming that he rigged general elections on March 7 to keep his Pakistan People's Party (PPP) in power.

The opposition campaign of

demonstrations and protests has flared into violence, resulting in the deaths of at least 75 people and a curfew over half of Pakistan's biggest city, Karachi.

Mr. Bhutto, though he never directly mentioned the opposition, said one element of Pakistan's divided society had chosen the path of unreasonable defiance and senseless conflict.

The other element, which he said was fortunately vastly stronger, wanted to arrange Pakistan's affairs through rational dialogue and constitutional processes.

PNA sources in Lahore said the opposition leaders were still firmly against negotiations with Mr. Bhutto.

Today, for the first time at a National Day military parade,

Pakistan put new sophisticated weapons from the United States and France on display.

More than 100,000 people, including delegations from China and Egypt, watched the parade of U.S. Tow missiles -- a wire-guided anti-tank rocket -- and French Crotales surface-to-air missiles for anti-aircraft defence.

The French long-range reconnaissance aircraft Atlantic was also on display.

Meanwhile, informed sources said Prime Minister Bhutto will visit Japan between Oct. 12 and 16 at the invitation of the Japanese government.

Mr. Bhutto will be the first Pakistani prime Minister to visit Japan.

## Luck, or shrewdness urged Ram to resign from Gandhi's cabinet only months before disastrous election

NEW DELHI, March 23 (AFP). — Mr. Jagjivan Ram, Chairman of the Congress for Democracy (CFD) in the coalition that toppled Prime Minister Mrs. Indira Gandhi was in her cabinet less than two months ago.

A shrewd politician, Mr. Ram (69) quit the Congress government early last month due to disagreement with Mrs. Gandhi over the continuance of the emergency which was only lifted Sunday night.

With his inseparable white "Gandhi cap" on his head, the former agriculture minister has thick lips and jet black skin. Heavily-built, and with a protruding tummy, he is usually dressed in white "dhoti" and the north Indian collar-less long pajama shirt. The "Babaji", as he is respectfully called by his admirers, leans heavily on a walking stick.

Mr. Ram is soft-spoken. He speaks in short and clear sentences but they are effective in silencing his critics and driving points home.

Mr. Ram held the record for the longest unbroken career as a minister in the Indian cabinet having entered the central government as minister for labour on Indian independence in 1947. In his later years he was looked upon by his Congress Party followers as an elder statesman.

As a leader of the Harijan (untouchable) community he functioned as a guardian for the 80 to 100 million untouchables.

Mr. Ram was born in April, 1908, in a village of Bihar State, east India. The Mahatma Gandhi, himself a champion of Harijan uplift, took him under the Congress Party wing when Mr. Ram presided over the All-India Depressed Classes League meeting in Lucknow in 1935. The meeting was inaugurated by the Mahatma himself.

Mr. Ram was a member of the Bihar Legislative Assembly in 1937 under the British rule but resigned his post on a call from the National Congress.

The British also recognised Mr. Ram as a leader of the depressed classes when they invited him to present his views during the independence negotiations. He became minister for

communications after the first general election in 1952.

After a four-year term during which India's air transport was nationalised Mr. Ram took the portfolio of railway minister. He stayed there for six years before moving on to the ministry of transport and communications in 1962.

During the serious food crisis caused by drought in 1967 Mr. Ram took charge of the Ministry of Agriculture and successfully warded off a famine by streamlining the food distribution system. In 1970 Mr. Ram moved over to the Defence Ministry but during a new food crisis in 1974 Mr. Ram was brought by Mrs. Gandhi once more to head the Agriculture Ministry.



Mr. Jagjivan Ram (left) welcomes election victory news, accompanied by his son, and campaign aide, Mr. Senath Ram. (AP wire-photo).

## ECONOMIC AND BUSINESS NEWS

### Chinese army ordered to aid farmers against severe drought

HONG KONG, March 23 (R). — The Chinese army has been ordered to help farmers combat a widespread drought which threatens China's wheat crop, Radio Peking reported today.

The general staff of the People's Liberation Army yesterday ordered soldiers from all units into the countryside to help the farmers with "anti-drought" work, the radio said.

A circular, sent to army units said it was a political task of the whole army to support the anti-drought work and to ensure the growth of wheat and the spring sowing.

"At present the drought is extremely severe in some provinces in the northern Yangtze River district, and is greatly threatening the growth of winter wheat and the spring ploughing and sowing," the army order said, according to the radio.

China's State Council said during the weekend that the drought was extremely severe in areas along the Yellow and Huai Rivers and in northern China.

### OPEC head: Price split won't hurt us

DOHA, March 23 (R). — The president of OPEC -- the Organisation of Petroleum Exporting Countries -- said today he was confident the present twofold oil price system would not undermine the organisation.

Sheikh Abdul Aziz Ibn Khalifeh Al Thani, who is also Qatar's Petroleum and Finance Minister, told Reuters in an interview here that Saudi Arabia would in the end reach an accommodation with its OPEC colleagues.

Sheikh Abdul Aziz confirmed his country had promoted a

compromise plan which would have restored OPEC price unity during a tour he undertook of the major Middle East oil exporting states last month. But no agreement was reached, he said.

The Qatari plan would have restored price unity at 10 per cent above last year's levels for all OPEC states.

Asked whether Saudi Arabia might by trying to impose its will on OPEC, Sheikh Abdul Aziz said he did not believe Saudi Arabia would do anything which would end in harming the organisation.

"They were among the founders of OPEC and are committed to the organisation," he added.

### London's gold price promises to go higher

LONDON, March 23 (AFP). — Gold was pointing firmly upwards here today amid speculation that the metal would rise further in the period ahead.

The rate after the first fixing reached \$152.4 per ounce, as against last night's 150.875.

Market experts gave a whole series of factors helping the upward movement: The weakness of the dollar and renewed fears about U.S. inflation, tension in Southern Africa, the political situation in various West European countries, and the improved Soviet payments situation implying a halt or drop in gold sales by the USSR.

At the same time there were a number of reports indicating that gold would increase further. Some experts resurrected the prediction that it would exceed \$200 and thus beat the previous record of \$ 198.75 reached on Dec. 30, 1974.

Finally, the gold rate was being nudged upward by statistics showing a decline in South African gold mine output.

## ECONOMIC NEWS BRIEFS

RIYADH, March 23 (R). — Egyptian Deputy Prime Minister for Financial and Economic Affairs Dr. Abdul Mone'm Qaisuni, yesterday conferred with the Saudi Arabian Minister of Finance and Economy, Sheikh Mohammad Abu Al Khail. Their talks covered the assistance given to the Cairo government by the Gulf Organisation for economic development in Egypt. They also discussed financial plans to be implemented by the organisation in cooperation with Egypt in the field of economic development, rectification of Egypt's balance of payments and Egypt's debts to international commercial banks.

KUWAIT, March 23 (R). — Venezuelan President Carlos Perez will pay a three-day visit to Kuwait next month, official sources said here today. The sources said the president, who will be arriving here on April 23, would be discussing with Kuwaiti leaders oil questions, the Middle East and bilateral relations.

WASHINGTON, March 23 (R). — The Chairman of the U.S. Federal Reserve Board, Mr. Arthur Burns, gave a warning to the Carter administration yesterday that other countries may retaliate if America adopts protectionist trade policies. The head of the Central Bank told the Senate Budget Committee he understood those who urged protection for certain U.S. industries, but he added that in the long run these policies could be harmful.

MANILA, March 23 (AFP). — A plan for sharing oil and petroleum products came under scrutiny here today by experts from the Association of South East Asian Nations (ASEAN). The three-day gathering was attended by delegates from Indonesia, Malaysia, Thailand, Singapore and the Philippines.

DJIBOUTI, March 23 (R). — A convoy of 177 Ethiopian trucks left here today for Addis Ababa to inaugurate a 250-kms. road linking the Ethiopian capital with this Red Sea port in the French territory of the Afars and Issas. The road was built and financed by France at a cost of 85 million francs (210 million). The convoy was carrying supplies for drought-hit regions of Ethiopia.

## WALL STREET REPORT

For the fifth day in a row prices declined Wednesday on the New York stock exchange were the industrial average lost more than 8 points in low trading.

Analysts said recent statements by Federal Reserve Board Chairman Arthur Burns, predicting higher interest rates as the economy expands, rekindled investor fears.

Declines outnumbered advances at the close by a wide 886 to 472 margin.

Oil shares were among the hardest hit since oil companies are forecasting lower gains for the first quarter. Mobil lost 1.5 at 66-1/8. Among the most active shares, Eastman Kodak lost 1 point at 70.

At the close, the industrial average shows at 942.32, a loss of 8.64 points; Transp at 228.72, a loss of 0.83; utilities at 108.12, a loss of 0.28. 19,350,000 shares changed hands, of which 3,780,000 during the last hour.

## LONDON MARKET REPORT

Tuesday's gains were extended on speculative interest prior to the censure vote against the government Wednesday night, dealers said. Thin conditions accentuated the advance, dealers said.

At 15:00 the F.T. index was up 6.6 at 426.0.

Government bonds showed gains of 1/16 to 1/8 among short-dated loans while others added between 1/8 and 3/8. Equity leaders firmed as much as 10p.

Gold shares were harder on balance in response to the higher bullion fixing.

ICI and Fisons both finished 10p up while rises of 2p to 8p were scored by other leading issues.

General Accident was 2p higher after results but reverted to close unchanged on profit-taking. Booker McConnell finished 3p up and BICC declined 6p also after trading news.

Price of gold closed in London Wednesday at \$152.80/oz.

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